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Newsletter

RURAL DEVELOPMENT



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PRESIDENT SUBMITS RURAL DEVELOPMENT REVENUE SHARING PROPOSAL TO CONGRESS

President Nixon has submitted a rural community development special revenue sharing proposal to Congress for consideration. Its purpose, the White House said, "is to provide more effective assistance for rural community development, by making available funds to the States in a flexible manner."

Highlights of the proposal include:

PAYMENTS - The bill would authorize the Secretary of Agriculture to make payments to States from appropriations made for rural development revenue sharing. The amount of payment to which each State would be entitled would be determined by a formula based upon the rural population, rural per capita income, and change in rural population of the State.

Funds available to each State under this program would at least equal funds which have been available to that State under the Federal programs converted to Rural Community Development special revenue sharing.

EXPENDITURES - Each State would be entitled to expend its payments for any program or activity which directly benefits the residents of one or more rural areas within the State. Rural areas are defined as counties or similar political subdivisions which either have a population density of less than 100 persons per square mile or are not included within a Standard Metropolitan Statistical Area.

Activities which may be supported with revenue sharing funds include all those conducted under the Federal programs converted to revenue sharing, plus such other activities as the State may designate -- including direct financial incentives to private enterprise, agricultural, commercial, and industrial.

PLANNING REQUIREMENTS

As a condition of receiving funds under the program, each State would be required to prepare and file with the Secretaries of Agriculture and HUD a statewide

development plan outlining spending intentions for programs in metropolitan, sub-urban, smaller city and rural areas alike. The plans would not require Federal approval. The principal purpose would be to focus state attention on the inter-relationship of urban and rural community development and to encourage a coordinated planning process within the State. The plans would be developed by the governor in consultation with multi-jurisdictional planning districts throughout the State, composed of elected officials, and an advisory panel consisting of an elected official from each planning district. An alternative consultation process could be requested by the States.

MATCHING REQUIREMENTS - There would be no matching requirements for rural revenue sharing payments. Moreover, the payments could be used to meet matching share requirements of remaining Federal categorical grant programs which contribute to rural development.

NO MAINTENANCE OF EFFORT REQUIREMENT - The States would not be compelled to use rural revenue sharing payments for programs for which Federal funds incorporated in rural revenue sharing were previously used.

SOURCE OF FUNDS - Funds would total \$1.1 billion, including \$179 million in new money. Other than new money, the sources (in millions) would be: Title V regional commissions (\$38), Appalachian Regional Commission (\$278), Economic Development Administration (\$227), Resource Conservation and Development Program (\$4), Cooperative Agricultural Extension Service, (\$149), rural water and waste disposal facilities grants (\$42), Rural Environmental Assistance Program (\$140), Forest Service grants (\$21), Great Plains Conservation Program (\$11), Water Bank Program (\$10) and tree planting assistance (\$1).

HELICOPTER HEALTH SERVICE STUDIED IN WEST VIRGINIA

B. L. Coffindaffer, Dean of the West Virginia University Appalachian Center and Director of the Cooperative Extension Service, reports a study by the Regional Medical Program, the Medical Center and the Department of Civil Engineering at WVU is underway to determine the feasibility of a helicopter medical service which would broaden and improve medical care throughout the State.

The system would utilize helicopters, manned by qualified doctors and paramedics which would be dispatched from a regional medical facility such as the WVU Medical Center. Sick or injured persons requiring specialized care would be transported to regional medical facility. Emergency treatment could be administered while the patient is enroute to the hospital.

A COMMENT ON COMMUNITY SPIRIT

"Community spirit comes from one source alone: the people who make up the community. The way to recapture it is to remember the way it was lost: by default. And the way to rekindle it is to enlarge both the scope of a community's interests and the number of citizen role-players. More fraternal, civic, hobby, religious groups are better than a few. For in diversity, there is action. And action is what makes a community shine."

*--William Houseman, in February edition
of Challenge magazine, published by HUD*

NEARLY \$2 BILLION CHANNELLED INTO RURAL AMERICA THROUGH FHA

The Farmers Home Administration has announced that nearly \$2 billion was added to the supply of credit for rural American families and communities through its programs in 1970.

At the same time, FHA noted that under new law, residents of rural towns in the population range of from 5,500 to 10,000 are now eligible to apply for rural housing loans from the agency.

The agency directly served more than 2.2 million people as it advanced \$1.94 billion for home construction and improvement, family farms, and rural community facility projects in 1970.

Housing loans for rural families of low and moderate income, including residents of rural towns, accounted for nearly \$1.1 billion of the year's lending by the U. S. Department of Agriculture agency.

Farm loans totaled more than \$630 million, and rural community facility loans and grants more than \$216 million.

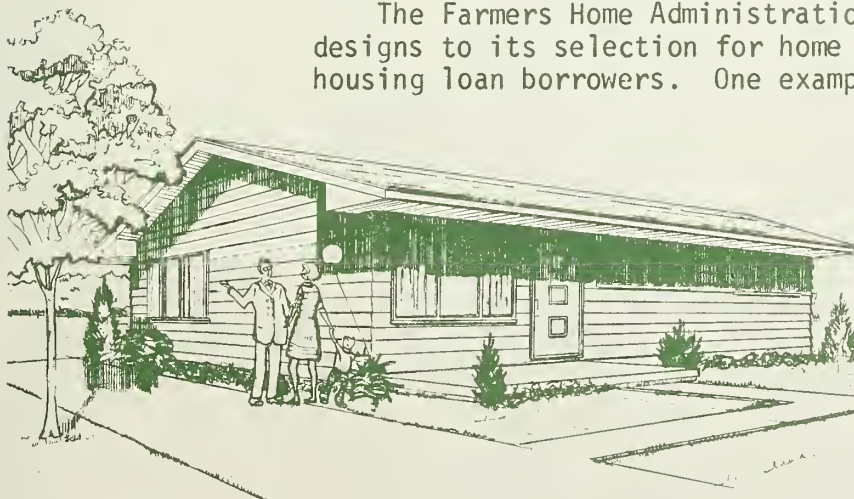
Approximately 75 percent of the lending was done with non-government funds supplied by private investors under FHA loan insurance.

The agency insured loans totaling \$1.06 billion to provide better homes for 94,464 rural families of low and moderate income. An additional \$34 million accounted for more than 500 rural community rental housing projects, 19 farm labor housing projects, and the beginning of new programs for rural homesite development and technical aid to self-help homebuilding groups of low income rural families.

Financing of more than 1,000 water and waste disposal system project for a total of more than \$200 million in loans and grants, accounted for most of the rural community facilities program. FHA has now provided financing for 4,922 water/sewer facilities in rural areas.

FHA ADDS SEVERAL NEW DESIGNS TO SELECTION OF HOME PLANS

The Farmers Home Administration has added several new designs to its selection for home plans available to rural housing loan borrowers. One example is shown here.



While these additional plans provide a wider choice for borrowers, FHA does not require that a standard plan be used. Plans are available through the 1,726 county offices of the FHA.



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CHERRY EXPERIMENT EXPECTED TO HELP INCREASE RURAL INCOME

In a Michigan experiment aimed at increasing rural income, 15 percent of the nation's crop of tart cherries for last year was processed on the farm.

The system, which provided increased profits for the seven growers who tried it, saves the cherries from lengthy pre-processing hauling and rough handling, bringing a better price for the product.

The experiment was guided by scientists of the Agricultural Research Service and the Michigan State Agricultural Experiment Station.

Freshly harvested cherries are sorted either automatically, by electric eye machines, or by women beside a conveyor belt at the on-the-farm processing plants. Mechanically pitted, the fruit is packed in 30-pound tins with five pounds of sugar and trucked to a nearby freezer for purchase by pie bakers.

More growers are expected to follow the system next season. The plan is expected not only to increase farm income but to utilize more workers from communities near the farms.

CANADIAN TOURIST ASSOCIATION LISTS TIPS ON SERVING TOURISTS

For those communities interested in making a favorable impression on tourists, the Canadian Tourist Association lists "Do's and Don'ts" for sales personnel. Among the "Do's" are:

Know where your community's various services are located. Be informed about your community's history. Volunteer a brief descriptive explanation of locally made products, if it is in order.

Source: Adapted from booklet "Project Hospitality."